

McDonough Farm
SCHEDULE "B"
of the Agreement for the Sale
of Real Property by Auction

FEE SIMPLE PURCHASE
RESALE DEED RESTRICTIONS

Grantor: State Agriculture Development Committee (Seller)

Grantee: (Purchaser)

1. Any development of the Premises for nonagricultural purposes is expressly prohibited.
2. The Premises shall be retained for agricultural use and production in compliance with N.J.S.A. 4:1C-11 et seq., P.L. 1983, c.32, and all other rules promulgated by the State Agriculture Development Committee, (hereinafter Committee). Agricultural use shall mean the use of the Premises for common farmsite activities including, but not limited to: production, harvesting, storage, grading, packaging, processing and the wholesale and retail marketing of crops, plants, animals and other related commodities and the use and application of techniques and methods of soil preparation and management, fertilization, weed, disease and pest control, disposal of farm waste, irrigation, drainage and water management and grazing.
3. All nonagricultural uses are prohibited except as expressly provided in this Deed.
4. No sand, gravel, loam, rock, or other minerals shall be deposited on or removed from the Premises excepting only those materials required for the agricultural purpose for which the land is being used.
5. No dumping or placing of trash or waste material shall be permitted on the Premises unless expressly recommended by the Committee as an agricultural management practice.
6. No activity shall be permitted on the Premises which would be detrimental to drainage, flood control, water conservation, erosion control, or soil conservation, nor shall any other activity be permitted which would be detrimental to the continued agricultural use of the Premises.
 - i. Grantee shall obtain within one year of the date of this Deed, a farm conservation plan approved by the local soil conservation district.
 - ii. Grantee's long term objectives shall conform with the provisions of the farm conservation plan.
7. Grantor and its agents shall be permitted access to, and to enter upon, the Premises at all reasonable times, but solely for the purpose of inspection in order to enforce and assure compliance with the terms and conditions of this Deed. Grantor agrees to give Grantee at least 24 hours advance notice of its intention to enter the Premises, and further, to limit such times of entry to the daylight hours on regular business days of the week.
8. Grantee may use the Premises to derive income from certain recreational activities such as hunting, fishing, cross country skiing and ecological tours, only if such activities do not interfere with the actual use of the land for agricultural production and that the activities only utilize the Premises in its existing condition. Other recreational activities from which income is derived and which alter the Premises, such as golf courses and athletic fields, are prohibited.
9. Nothing shall be construed to convey a right to the public of access to or use of the Premises except as stated in this Deed or as otherwise provided by law.
10. Nothing shall impose upon the Grantee any duty to maintain the Premises in any particular state, or condition, except as provided for in this Deed.

11. Nothing in this Deed shall be deemed to restrict the right of Grantee to maintain all roads and trails existing upon the Premises as of the date of this Deed. Grantee shall be permitted to construct, improve or reconstruct any roadway necessary to service crops, bogs, agricultural buildings, or reservoirs as may be necessary.
12. At the time of this conveyance, Grantor certifies that there are zero (0) existing single family residential buildings on the Premises and zero (0) residential buildings used for agricultural labor purposes. Grantee may use, maintain, and improve existing buildings on the Premises for agricultural, residential and recreational uses subject to the following conditions:
 - i. Improvements to agricultural buildings shall be consistent with agricultural uses.
13. Grantee may construct any new buildings for agricultural purposes. The construction of any new buildings for residential use, regardless of its purpose, shall be prohibited except as follows:
 - i. To provide structures for housing of agricultural labor employed on the Premises but only with the approval of the Grantor. If Grantor grants approval for the construction of agricultural labor housing, such housing shall not be used as a residence for Grantee, Grantee's spouse, Grantee's parents, Grantee's lineal descendants, adopted or natural, Grantee's spouse's parents, Grantee's spouse's lineal descendants, adopted or natural; and
 - ii. One (1) residual dwelling site opportunity has been allocated pursuant to the provisions of N.J.A.C. 2:76-6.17. The Grantee's request to exercise a residual dwelling site opportunity shall comply with the rules promulgated by the Grantor in effect at the time the request is initiated.

For the purpose of this Deed:

"Residual dwelling site opportunity" means the potential to construct a residential unit and other appurtenant structures on the Premises in accordance with N.J.A.C. 2:76-6.17.

"Residual dwelling site" means the location of the residential unit and other appurtenant structures.

"Residential unit" means the residential building to be used for single family residential housing and its appurtenant uses. The construction and use of the residential unit shall be for agricultural purposes.

"Use for agricultural purposes" as related to the exercise of a residual dwelling site opportunity and the continued use of the residential unit constructed thereto, means at least one person residing in the residential unit shall be regularly engaged in common farmsite activities on the Premises including, but not limited to: production, harvesting, storage, grading, packaging, processing and the wholesale and retail marketing of crops, plants, animals and other related commodities and the use and application of techniques and methods of soil preparation and management, fertilization, weed, disease and pest control, disposal of farm waste, irrigation, drainage, water management and grazing.

- iv. In the event that the Residual Dwelling Site Opportunity is exercised, the residential unit shall not exceed a maximum heated living space of 4,500 square feet. In the event that any improvements are made to the residential unit, the maximum heated living space of the combined improvements and residential unit shall not exceed 4,500 square feet. In the event that the residential unit is replaced, with Grantor approval, the maximum heated living space shall not exceed 4,500 square feet.

14. The land and its buildings which are affected may be sold collectively or individually for continued agricultural use as defined in Section 2 of this Deed. However, Grantee is prohibiting from subdividing the Premises.
15. In the event of any violation of the terms and conditions of this Deed, Grantor may institute, in the name of the State of New Jersey, any proceedings to enforce these terms and conditions including the institution of suit to enjoin such violations and to require restoration of the Premises to its prior condition. Grantor does not waive or forfeit the right to take any other legal action necessary to insure compliance with the terms, conditions, and purpose of this Deed by a prior failure to act.
16. This Deed imposes no obligation or restriction on the Grantee's use of the Premises except as specifically set forth in this Deed.
17. This Deed is binding upon the Grantee, the Grantee's heirs, executors, administrators, personal or legal representatives, successors and assigns and the Grantor; it shall be construed as a restriction running with the land and shall be binding upon any person to whom title to the Premises is transferred as well as upon the heirs, executors, administrators, personal or legal representatives, successors, and assigns of all such persons.
18. Throughout this Deed, the singular shall include the plural, and the masculine shall include the feminine, unless the text indicates otherwise.
19. The word 'Grantee' shall mean any and all persons who lawfully succeed to the rights and responsibilities of the Grantee, including but not limited to the Grantee's heirs, executors, administrators, personal or legal representatives, successors and assigns.
20. Wherever in this Deed any party shall be designated or referred to by name or general reference, such designation shall have the same effect as if the words, heirs, executors, administrators, personal or legal representatives, successors and assigns have been inserted after each and every designation.
21. Grantor, Grantor's heirs, executors, administrators, personal or legal representatives, successors and assigns retains all of the nonagricultural development rights and development credits appurtenant to the lands and Premises described herein. Nothing contained herein shall preclude the conveyance or retention of said rights by the Grantor as may be permitted by the laws of the State of New Jersey in the future.
22. That portion of the net proceeds, representing the value of the land only (and not the value of the improvements), of a condemnation award or other disposition of the Premises following termination of this Deed, as permitted pursuant to N.J.S.A. 4:1C-11 et seq., P.L. 1983, c.32, shall be distributed among the Grantor and the Grantee in shares in proportion to the fair market value of their interests in the Premises on the date of execution of this Deed. For this purpose, the Grantor's allocable share of the proceeds shall be the net proceeds multiplied by a fraction, the numerator of which is the fair market value of the development easement as certified by the Grantor at the time of the initial acquisition and the denominator of which is the full fair market value of the unrestricted Premises as certified by the Grantor at the time of the initial acquisition, which is identified as (\$3,000/\$5,000).
23. Contingent Right in the United States of America

In the event that the Committee fails to enforce any of the terms of this Deed of Easement as determined in the sole discretion of the Secretary of the United States Department of Agriculture, the said Secretary of Agriculture and his or her successors and assigns shall have the right to enforce the terms of this Deed of Easement through any and all authorities available under Federal or State law.

In the event that the Committee attempts to terminate, transfer, or otherwise divest itself of any rights, title, or interests of this easement without the prior consent of the Secretary of the United States Department of Agriculture and

payment of consideration to the United States, then, at the option of such Secretary, all right, title and interest in this easement shall become vested in the UNITED STATES OF AMERICA.

In the event the Governor declares that an eminent domain action instituted by a public body on lands from which a development easement has been acquired is necessary for the public health or safety and that there is no immediately apparent feasible alternative, pursuant to N.J.S.A. 4:1C-25, the consent of the Secretary of the United States Department of Agriculture shall not be unreasonably withheld.

24. Grantee agrees that Grantor may provide, erect and maintain a framed sign on the Premises, which sign shall not exceed dimensions of 35 inches by 47 inches (35"x47"), excluding the frame, giving notice that the Premises are preserved farmland. Grantee shall ensure that the sign is visible from Jackson Valley Road.